

Monthly Operating Report

CASE NAME:	Dhilon Inc
CASE NUMBER:	11-43267
JUDGE:	

ACCRUAL BASIS

02/13/95, RWD, 2/96

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

6th DIVISION

MONTHLY OPERATING REPORT

MONTH ENDING December 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Member  
TITLE

\_\_\_\_\_  
PRINTED NAME OF RESPONSIBLE PARTY

\_\_\_\_\_  
DATE

PREPARER:

\_\_\_\_\_  
ORIGINAL SIGNATURE OF PREPARER

Accountant  
TITLE

Samir Patel  
PRINTED NAME OF PREPARER

\_\_\_\_\_  
DATE

Monthly Operating Report

CASE NAME: Dhilon Inc
CASE NUMBER: 11-43267

ACCRUAL BASIS-1

02/13/95, RWD, 2/96

COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Nov-11	Dec-11	Jan-12
1. UNRESTRICTED CASH	\$32,000	\$117,564	\$136,994	
2. RESTRICTED CASH				
3. TOTAL CASH	\$32,000	\$117,564	\$136,994	\$0
4. ACCOUNTS RECEIVABLE (NET)	\$76,234	\$65,000	\$43,723	
5. INVENTORY		\$0		
6. NOTES RECEIVABLE				
7. PREPAID EXPENSES				
8. OTHER (ATTACH LIST)				
9. TOTAL CURRENT ASSETS	\$108,234	\$182,564	\$180,717	\$0
10. PROPERTY, PLANT & EQUIPMENT	\$2,500,000	\$2,500,000	\$2,524,125	
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION		\$0	\$0	
12. NET PROPERTY, PLANT & EQUIPMENT	\$2,500,000	\$2,500,000	\$2,524,125	\$0
13. DUE FROM INSIDERS				
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)		\$0		
15. OTHER (ATTACH LIST)	\$466,000	\$466,000	\$466,000	
16. TOTAL ASSETS	\$3,074,234	\$3,148,564	\$3,170,843	\$0
<b>POSTPETITION LIABILITIES</b>				
17. ACCOUNTS PAYABLE		\$32,703	\$29,754	
18. TAXES PAYABLE		\$17,111	\$16,512	
19. NOTES PAYABLE				
20. PROFESSIONAL FEES				
21. SECURED DEBT				
22. OTHER (ATTACH LIST)				
23. TOTAL POSTPETITION LIABILITIES		\$49,814	\$46,266	\$0
<b>PREPETITION LIABILITIES</b>				
24. SECURED DEBT	\$5,859,138	\$5,859,138	\$5,859,138	
25. PRIORITY DEBT		\$0		
26. UNSECURED DEBT	\$184,509	\$184,509	\$184,509	
27. OTHER (ATTACH LIST)		\$0		
28. TOTAL PREPETITION LIABILITIES	\$6,043,647	\$6,043,647	\$6,043,647	\$0
29. TOTAL LIABILITIES	\$6,043,647	\$6,093,461	\$6,089,913	\$0
<b>EQUITY</b>				
30. PREPETITION OWNERS' EQUITY		(\$2,996,222)	(\$2,996,222)	
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		\$51,325	\$77,151	
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33. TOTAL EQUITY	\$0	(\$2,944,897)	(\$2,919,071)	\$0
34. TOTAL LIABILITIES & OWNERS' EQUITY	\$6,043,647	\$3,148,564	\$3,170,842	\$0

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CASE NAME: Dhillon Inc  
CASE NUMBER: 11-43267

ACCRUAL BASIS-2

02/13/95, RWD, 2/96

INCOME STATEMENT

REVENUES	Nov-11	Dec-11	Jan-12	QUARTER TOTAL
1. GROSS REVENUES	\$161,146	\$145,316		\$306,462
2. LESS: RETURNS & DISCOUNTS	\$0	\$0	\$0	
3. NET REVENUE	\$161,146	\$145,316	\$0	\$306,462
<b>COST OF GOODS SOLD</b>				
4. MATERIAL				\$0
5. DIRECT LABOR				\$0
6. DIRECT OVERHEAD				\$0
7. TOTAL COST OF GOODS SOLD	\$0	\$0	\$0	\$0
8. GROSS PROFIT	\$161,146	\$145,316	\$0	\$306,462
<b>OPERATING EXPENSES</b>				
9. OFFICER / INSIDER COMPENSATION				\$0
10. SELLING & MARKETING				\$0
11. GENERAL & ADMINISTRATIVE				\$0
12. RENT & LEASE				\$0
13. OTHER (ATTACH LIST)	\$109,821	\$102,137		\$211,959
14. TOTAL OPERATING EXPENSES	\$109,821	\$102,137	\$0	\$211,959
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$51,325	\$43,178	\$0	\$94,503
<b>OTHER INCOME &amp; EXPENSES</b>				
16. NON-OPERATING INCOME (ATT. LIST)				
17. NON-OPERATING EXPENSE (ATT. LIST)				
18. INTEREST EXPENSE				\$0
19. DEPRECIATION / DEPLETION				\$0
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				\$0
22. NET OTHER INCOME & EXPENSES	\$0	\$0	\$0	\$0
<b>REORGANIZATION EXPENSES</b>				
23. PROFESSIONAL FEES				\$0
24. U.S. TRUSTEE FEES				\$0
25. OTHER (ATTACH LIST)		\$17,352		
26. TOTAL REORGANIZATION EXPENSES	\$0	\$17,352	\$0	\$0
27. INCOME TAX				
28. NET PROFIT (LOSS)	\$51,325	\$25,826	\$0	\$94,503

DHILON INC  
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**MOR 2**

Line 13 Detail

Description	Amount
Supplies	9,746.33
Payroll	23,892.87
Payroll Taxes	1,778.41
Adv-Promotions	2,020.00
Franchise Fees	20,388.03
Credit Card Merchant Fees	5,511.73
Travel Expense	2,901.00
Management Fee	6,429.35
Pest Control	238.16
Operating Services	1,618.15
Office Supplies	451.30
Bank Charges	126.01
Insurance	2,509.86
Repairs & Maintenance	12,071.74
Utilities	7,454.30
Property Tax	5,000.00
<b>Total</b>	<b><u>102,137.24</u></b>

**MOR 2**

Line 25 Detail

Description	Amount
Protection Payment	17,352.34

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CASE NAME: Dhillon Inc
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ACCRUAL BASIS-3

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CASH RECEIPTS AND DISBURSEMENTS	Nov-11	Dec-11	Jan-12	QUARTER TOTAL
1. CASH - BEGINNING OF MONTH	\$31,307	\$117,564		\$148,871
<b>RECEIPTS FROM OPERATIONS</b>				
2. CASH SALES	\$161,146	\$171,065		\$332,211
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. PREPETITION				\$0
4. POSTPETITION				\$0
5. TOTAL OPERATING RECEIPTS	\$161,146	\$171,065	\$0	\$332,211
<b>NON - OPERATING RECEIPTS</b>				
6. LOANS & ADVANCES (ATTACH LIST)		\$0	\$0	\$0
7. SALE OF ASSETS				\$0
8. OTHER (ATTACH LIST)				\$0
9. TOTAL NON-OPERATING RECEIPTS	\$0	\$0	\$0	\$0
10. TOTAL RECEIPTS	\$161,146	\$171,065	\$0	\$332,211
11. TOTAL CASH AVAILABLE	\$192,453	\$288,629	\$0	\$481,082
<b>OPERATING DISBURSEMENTS</b>				
12. NET PAYROLL				\$0
13. PAYROLL TAXES PAID				\$0
14. SALES, USE & OTHER TAXES PAID				\$0
15. SECURED / RENTAL / LEASES				\$0
16. UTILITIES				\$0
17. INSURANCE				\$0
18. INVENTORY PURCHASES				\$0
19. VEHICLE EXPENSES				\$0
20. TRAVEL				\$0
21. ENTERTAINMENT				\$0
22. REPAIRS & MAINTENANCE				\$0
23. SUPPLIES				\$0
24. ADVERTISING				\$0
25. OTHER (ATTACH LIST)	\$74,890	\$151,635		\$226,524
26. TOTAL OPERATING DISBURSEMENTS	\$74,890	\$151,635	\$0	\$226,524
<b>REORGANIZATION EXPENSES</b>				
27. PROFESSIONAL FEES				\$0
28. U.S. TRUSTEE FEES				\$0
29. OTHER (ATTACH LIST)				\$0
30. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$0	\$0
31. TOTAL DISBURSEMENTS	\$74,890	\$151,635	\$0	\$226,524
32. NET CASH FLOW	\$86,257	\$19,430	\$0	\$105,687
33. CASH - END OF MONTH	\$117,564	\$136,994	\$0	\$254,558

DHILON INC  
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**MOR 3**

Line 25 Detail

<b>Description</b>	<b>Amount</b>
Supplies	9,746.33
Payroll	23,892.87
Payroll Tax	1,778.41
Advertisement	2,020.00
Franchise Fees	21,627.62
Credit Card Merchant Fees	5,511.73
Travel Expense	2,901.00
Management Fee	6,429.35
Pest Control	238.16
Operating Services	1,618.15
Office Supplies	451.30
Bank Charges	126.01
Insurance	2,509.86
Equipmental Rental	6,454.00
Fixed Assets	24,125.30
Repairs & Maintenance	12,958.18
Utilities	6,894.16
Property Taxes	5,000.00
Mortgage Interest	17,352.34
<b>Total</b>	<b><u>151,634.77</u></b>

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CASE NAME: Dhillon Inc

ACCRUAL BASIS-4

CASE NUMBER:

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ACCOUNTS RECEIVABLE AGING		SCHEDULE AMOUNT	MONTH Nov-11	MONTH Dec-11	MONTH Jan-12
1.	0-30		\$65,000	\$43,723	\$0
2.	31-60				
3.	61-90				
4.	91+				
5.	TOTAL ACCOUNTS RECEIVABLE	\$0	\$65,000	\$43,723	\$0
6.	AMOUNT CONSIDERED UNCOLLECTIBLE				
7.	ACCOUNTS RECEIVABLE (NET)	\$0	\$65,000	\$43,723	\$0

AGING OF POSTPETITION TAXES AND PAYABLES

MONTH: Dec-11

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	\$0				\$0

STATUS OF POSTPETITION TAXES

MONTH: Dec-11

	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
<b>FEDERAL</b>				
1. WITHHOLDING**				\$0
2. FICA-EMPLOYEE**		\$1,778	\$1,778	\$0
3. FICA-EMPLOYER**				\$0
4. UNEMPLOYMENT				\$0
5. INCOME				
6. OTHER (ATTACH LIST)				
7. TOTAL FEDERAL TAXES	\$0	\$1,778	\$1,778	\$0
<b>STATE AND LOCAL</b>				
8. WITHHOLDING				
9. SALES	\$17,111	\$16,512	\$17,111	\$16,512
10. EXCISE				
11. UNEMPLOYMENT				
12. REAL PROPERTY			\$5,000	\$0
13. PERSONAL PROPERTY				
14. OTHER (ATTACH LIST)				
15. TOTAL STATE & LOCAL	\$17,111	\$16,512	\$22,111	\$16,512
16. TOTAL TAXES	\$17,111	\$18,290	\$23,889	\$16,512

\* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

\*\* Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

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<b>CASE NAME:</b> Dhilon Inc
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ACCRUAL BASIS-5

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The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: Dec-11

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
A. BANK:				
B. ACCOUNT NUMBER:	See list			TOTAL
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				\$135,855
2. ADD: TOTAL DEPOSITS NOT CREDITED				\$0
3. SUBTRACT: OUTSTANDING CHECKS				\$0
4. OTHER RECONCILING ITEMS				\$0
5. MONTH END BALANCE PER BOOKS	\$0	\$0	\$0	\$135,855
6. NUMBER OF LAST CHECK WRITTEN				

Attached is Other Bank Accounts and Banalces

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$0	\$0

CASH	
12. CURRENCY ON HAND	\$1,139
13. TOTAL CASH - END OF MONTH	\$136,994



DHILON INC  
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**MOR 5**

<b>Description</b>	<b>Acct No</b>	<b>Amount</b>
Citi Bank Payroll	4931	6,983.09
Citi Bank DIP Taxes	9995784966	470.47
Citi Bank DIP Operating	9995784915	41,715.66
Citi Bank DIP Revenue	9995784894	36,389.00
Texas National	0580082	50,296.71
<b>Total</b>		<b><u>135,854.93</u></b>

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<b>CASE NAME:</b> Dhillon Inc
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ACCRUAL BASIS-6

02/13/95, RWD, 2/96

MONTH: Dec-11

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$0	\$0

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1.					
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$0	\$0	\$0	\$0

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL	\$0	\$0	\$0

## Monthly Operating Report

**CASE NAME: Dhillon Inc**

## ACCRUAL BASIS-7

CASE NUMBER: 11-43267

**02/13/95, RWD, 2/96**

**MONTH:** Dec-11

## QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		x
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		x
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		x
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		x
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		x
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		x
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		x
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		x
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		x
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		x
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		x
12. ARE ANY WAGE PAYMENTS PAST DUE?		x

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

## INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?		x
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?		x
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

General Liability and Other Necessary Insurance Coverages is in Effect. We do not have Workers Comp Insurance

[illegible]